

Federal Highway Administration

Overview: The highway system serves as the backbone of the Nation's surface transportation infrastructure. Our challenge is to maintain our high-quality network while achieving our goals to improve safety and protect the natural environment. The budget request for the Federal Highway Administration (FHWA), although below the 2002 enacted level, will still allow us to meet this challenge by providing the guaranteed funding envisioned when the Transportation Equity Act for the 21st Century (TEA-21) was enacted. Because highway funding is automatically adjusted based on receipts from Federal highway user taxes, the 2003 request of \$24.1 billion is \$9.2 billion, or 28 per-cent, below the 2002 enacted budget.

FEDERAL HIGHWAY ADMINISTRATION BUDGET (Dollars In Millions)

	2001 2/ <u>Actual</u>	2002 <u>Enacted</u>	2003 <u>Request</u>
Federal-aid Highways Ob Lim	28,306	31,799	23,205
Revenue Aligned Budget Authority (RABA) [non-add]	[3,058]	[4,519]	[-4,369]
Other	2,092	371	24
Emergency Supplemental	718	175	0
Mandatory Federal-aid Highways	993	965	893
Limitation on Admin Expenses [non-add]	[294]	[310]	[318]
TOTAL 1/	<u>32,109</u>	<u>33,312</u>	<u>24,122</u>
TOTAL, excluding RABA	29,051	28,792	28,491

1/ Includes Revenue Aligned Budget Authority (RABA). Also includes estimated accrual payments of \$23 million in FY 2001 and \$24 million in FY 2002 for civil service retirement and health benefits.

2/ Amount in FY 2001 is net of \$1.2 billion transferred from highways to transit.



FY 2003 Budget

Federal-Aid Highway Program: Our Nation's highways and intermodal connectors are the critical link in our national intermodal transportation system – virtually every trip we take passes over a road at some point. To safeguard our tremendous highway infrastructure investment, improve safety, protect the environment, reduce congestion, and improve the efficiency and operation of our highways in a fiscally responsible manner that reflects changing economic conditions, the 2003 budget request includes a \$23.2 billion obligation limitation for the Federal-aid Highway program. This level is consistent with TEA-21 guaranteed funding, adjusted downward due to lower than anticipated highway trust fund receipts. The 2003 budget continues to distribute the majority of the funding for the Federal-aid Highway program to the States in the five major program categories – Interstate Maintenance, National Highway System, Surface Transportation program, Bridge Replacement and Rehabilitation program, and Congestion Mitigation and Air Quality Improvement program. The request includes \$318 million for the limitation on administrative support, including oversight of large highway construction projects:

- Focus on Security in the ITS Deployment Program - Intelligent Transportation System (ITS) technologies offer many opportunities to significantly improve transportation security, a high priority given recent events. This budget proposes to focus the FY 2003 ITS Deployment Program resources of \$93 million for the deployment and/or integration of ITS technologies that enhance the security of our surface transportation systems.
- Environmental Streamlining - Implementation of environmentally responsible transportation improvements, delivered on time and within budget, is an important component of DOT's vision for our programs. Environmental streamlining brings together the timely delivery of transportation projects with the protection and enhancement of the environment. Efforts to cooperatively establish realistic project development time frames among the full range of transportation and environmental agencies will be advanced by this budget. The FHWA budget includes \$6 million to support Federal and State initiatives to identify new, more efficient business processes that will result in more timely project delivery.
- Transportation Infrastructure Finance and Innovation Act Program – The 2003 budget includes an estimated \$99 million to leverage our Federal investment in transportation infrastructure. This will translate into over \$6 billion in nationally significant surface transportation projects.